

MINISTRY OF INDUSTRY AND
TRADE
**VIETNAM INDUSTRIAL
CONSTRUCTION CORPORATION**

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Hanoi, March 28th, 2025

Number: 194/VINAINCON-TCKT

Regarding the explanation of the
audited consolidated financial
statements for 2024

Addressed to: - State Securities Commission.
- Hanoi Stock Exchange.

Pursuant to Circular 96/2020/TT-BTC dated November 16th, 2020 of the
Ministry of Finance guiding information disclosure on the stock market.

Vietnam Industrial Construction Corporation (the Corporation) explains in
the year 2024 audited consolidated financial statements as follows:

1. Report data

Unit: million VND

Target	Year 2024	Year 2023	Difference	% Increase/ reduce
Net sales from merchandises and services	4,400,581	2,859,519	1,541,062	54%
Cost of goods sold	4.404 .354	2,801,476	1.602 .878	57%
Gross profit from merchandises and services	(3,773)	58,043	(61,816)	-107 %
Financial income	2,219	3,242	(1,023)	-32%
Financial expenses	238,267	304.120	(65,853)	-22%
Selling expenses	22,738	23,307	(569)	-2%
General and administration expenses	213,252	195,337	17,915	9%
Profit from other activities	16,671	26,271	(9,600)	-37%
Net profit after corporate income tax	(467 .677)	(442,751)	(24,926)	-6 %

2. Causes of loss in Consolidated Financial Statements

In year 2024, the consolidated profit after tax of the whole Corporation lost (467.7) billion VND (in year 2023, it lost (442.7) billion VND), mainly due to the loss of (490) billion VND at Quang Son Cement Co., Ltd. (a subsidiary of the Corporation) in year 2024, because in year 2024, the Company's net revenue was only 414.5 billion VND, the total output only reached 28% of the design capacity,

leading to production being interrupted and discontinuous, while fixed costs (Depreciation, interest, wages, etc.) accounted for a large proportion of revenue, repair costs, wages, refractory material costs, etc. allocated to production costs increased. In addition, due to discontinuous production, production norms increased: coal, electricity, cement grinding clinker, etc., leading to an increase in production costs of all products. Total depreciation, interest, exchange rate loss and allocation of machinery and equipment repair costs in year 2024 is 470.9 billion VND (depreciation 187 billion VND, interest 188.9 billion VND, exchange rate loss 30.6 billion VND, machinery and equipment repair costs 64.4 billion VND). Fixed costs are large while the profit on variable costs is not enough to cover fixed costs.

3. Regarding the Auditor's opinion

3.1. Audit opinion: *"As of December 31th, 2024, the unfinished production and business costs of the projects and works of the Subsidiaries have not changed with the value: 62.63 billion VND (as of December 31th, 2023: 51.50 billion VND). The Subsidiaries are still working with the Investor on the settlement of these projects, so we do not have enough basis to assess and determine the impact of this issue on the Consolidated Financial Statements for the fiscal year ending December 31th, 2024 of the Corporation."*

Explanation: These projects arose from previous years at the units. The main reason is that these projects have not been approved by the investor or competent authority for settlement.

3.2. Audit opinion: *"As of December 31th, 2024, the balance of receivables and payables at a number of subsidiaries has not changed over the years with the respective values of: 120.0 billion VND and 161.13 billion VND (as of December 31th, 2023 with the respective values of: 112.42 billion VND and 132.52 billion VND). We cannot assess the ability to recover and pay the above-mentioned balances of receivables as well as their impact on the Consolidated Financial Statements for the fiscal year ending December 31th, 2024 of the Corporation."*

Explanation: The Corporation's units have coordinated with the auditing unit to issue letters of confirmation and reconciliation of receivables and payables as of December 31th, 2024 to all customers. However, the number of customers who signed the reconciliation and sent it back to some units is still lacking, so some companies do not have complete records of debt reconciliation as of December 31th, 2024. Reason: Due to the characteristics of the construction and development sector, the construction works have a long construction period, a project has many items and implementation stages, the construction has been completed but the investor has not approved the final settlement and contract liquidation, especially many projects have lasted for many years. In many



projects, the investors do not sign the confirmation and reconciliation of debts for contractors, citing the reason of waiting for the State Audit to complete the audit of the completed project settlement before determining the official value and liquidating the contract, confirming debts with contractors.

Respectfully report!

Recipient:

- As above;
- Save VT, TCKT.

GENERAL DIRECTOR *ND*



Do Chi Nguyen

